

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

June 04, 2014

MOTOR CARRIER MATTER

☐

DOCKET NO.

2013-392-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

[DOCKET NO. 2013-392-E](#) - Joint Application of Duke Energy Carolinas, LLC and North Carolina Electric Membership Corporation for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 750 MW Combined Generating Plant Near Anderson, SC (Preliminary Information is Available for Viewing at the Commission) – Discuss with the Commission the Petition for Reconsideration Filed on Behalf of the South Carolina Coastal Conservation League and Southern Alliance for Clean Energy.

COMMISSION ACTION:

The Coastal Conservation League (“CCL”) and Southern Alliance for Clean Energy (“SACE”) contend that the Commission’s decision in Order No. 2014-408 was arbitrary and capricious and not in compliance with the Siting Act’s environmental requirements. They argue that our original Order commits two central errors, first, that it misapprehends the nature and intent of their solar recommendation as a request to require capacity above and beyond the capacity of the gas plant, instead of as a means to offset operating costs, and second, that no material change to the type of facility would occur by requiring bids for a 375 MW solar facility. CCL and SACE elaborate that their intent is for Duke Energy Carolinas to issue a request for proposal for solar capacity that, as delivered, would displace production at the gas plant cost for cost and therefore reduce the fuel burned there. CCL and SACE conclude that the addition of a solar component could only save ratepayers money and provide a conservative hedge given gas price volatility.

I disagree. In declining CCL and SACE’s proposal and finding that the environmental impacts of the Lee Project are “justified,” Order No. 2014-408 took great analytical care to address their suggestions at length. As stated in that Order, since the capacity factor of solar is much less than the capacity factor that the combined cycle facility is designed to meet, solar will not be capable of providing the intermediate to base load energy needs of the Lee Facility. As a result, the full capacity of the Lee Project still must be built, and any solar energy that could be provided would still need to be backed up. In practical terms, this means that any solar capacity to be included with the Lee Project would have to be added to its 650 MWs, and would not be complementary to it. In other words, the economics of including CCL and SACE’s proposal are not justified when all appropriate factors are considered.

Next, CCL and SACE take issue with Order No. 2014-408’s finding that adding solar capacity to the Lee Project would cause an impermissible material change to the Application. As authority for allowing the proposed 375 MW solar facility to be added to the Lee Project, they point to language in the Siting Act, stating in part that the Commission may modify an Application. However, while we may modify a proposal, I believe that the Act does not contemplate such an essential change to the subject matter of the Application, if the modified Application calls for the construction of an entirely new facility and fuel source in addition to the one originally

proposed.

Therefore, I move that the Petition for Rehearing be denied.

PRESIDING: Hamilton

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MCGEE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: J. Schmieding

